



SECRETARY OF THE AIR FORCE  
WASHINGTON

SEP 17 2004

The Honorable Duncan Hunter  
Chairman, Committee on Armed Services  
House of Representatives  
Washington, DC 20515-0001

Dear Mr. Chairman:

Per the requirements of Title 10 US CODE, Sec 2493, attached please find the Air Force Fisher House Program FY02 and FY03 Annual Reports.

A similar letter has been sent to the Ranking Minority Member of your Committee and the Chairmen and the Ranking Minority Members of the other Congressional Defense Committees.

Sincerely,

A handwritten signature, likely of J. E. B. Rumsfeld, is written in cursive script below the "Sincerely," text.

Attachments:

1. AF Fisher House Program FY02 Annual Report
2. AF Fisher House Program FY03 Annual Report

**AIR FORCE FISHER HOUSE PROGRAM  
FY02 ANNUAL REPORT  
(Data as of 1 Oct 02)**

**PROGRAM OVERVIEW**

The mission of the Fisher Houses at Air Force bases is to provide temporary and convenient lodging at a reasonable cost for Air Force Medical Center patients, their family members, and others providing the equivalent of familial support for such patients.

The Air Force now has eight Fisher Houses at five locations: Andrews (1), Keesler (1), Lackland (3), Travis (1), Wright-Patterson (2). The Air Force has no Fisher Suites.

In FY02, the Air Force Fisher Houses served 2,160 families, providing 36,823 nights of temporary lodging in a comfortable and compassionate atmosphere. This lodging represents an estimated savings of out-of-pocket expenses to these families of nearly \$1.6M, or nearly \$750 per family. Cumulative monthly reports of volunteers totaled 2,812. These volunteers provided 15,915 hours of service.

**LEGISLATIVE ACTION**

In Mar 99, the Air Force Fisher House Fund was established as an Air Force Central Nonappropriated Fund Instrumentality (NAFI) in accordance with the FY99 National Defense Authorization Act (NDAA) (Public Law 105-261, Section 906). This NAFI was originally provided with a corpus of \$3.5M. It is administered by the Air Force Fisher House Fund Board of Directors and is separately accounted for and managed by the Air Force Services Agency.

In Oct 01, the Air Force Fisher House Fund Board of Directors submitted an FY03 Omnibus Bill legislation request seeking explicit authorization for military department Secretaries to provide base operating support of Fisher Houses similar to that provided for Category "B" MWR facilities. This legislation will help ensure perpetual operation and sustainment of Air Force Fisher Houses by making available an appropriate mix of appropriated funds and nonappropriated funds for their support.

## **FY02 OPERATIONS**

The maintenance, repair, utility service, and improvement of AF Fisher Houses is covered by base operating support and interest earned on our NAFI investment corpus. Operations, including manager's salaries, are primarily supported through donations and room fees collected.

Our FY01 end-of-year (30 Sep 01) equity balance (including the NAFI corpus) was \$4,159,169. In FY01, income generated included interest earned of \$149,817 and donations and room fees of \$301,606. Operating expenses totaled \$368,592, and non-operating expenses (including depreciation) totaled \$35,484, representing net earnings of \$47,347. Our FY02 end-of-year (30 Sep 02) equity balance was \$4,206,516.

We disbursed \$178,000 to our Fisher Houses at Andrews, Keesler, Lackland, and Travis for various capital requirement improvements.

## **FY03 BUDGET**

In FY03, the Air Force Fisher House Fund is projected to earn \$164,232 in interest. Donations and room fees are projected to total \$321,825. Estimated baseline disbursements will be \$112,000.

## **FY02 ACTUAL AND FY03 BUDGET**

	<u>FY02 Actual</u>	<u>FY03 Budget</u>
Revenue	59,241	63,400
Operating Expense:		
Payroll	278,267	283,809
Other Operating (1)	<u>90,325</u>	<u>82,578</u>
Total Operating Expense	368,592	366,387
Operating Loss	(309,351)	(302,987)
Non-Operating Income (Expense):		
Contributions/Donations	242,365	258,425
Interest Income	149,817	164,232
Other Expense	<u>(35,484)</u>	<u>(38,551)</u>
Net Income (Loss)	47,347	81,119

1. Includes contract audit fees of \$14,300 for FY02 and \$15,730 for FY03.

## **FUTURE PLANS**

In response to a request from Fisher House Foundation, Inc., the Air Force Fisher House Fund Board of Directors prioritized Keesler as the Air Force's installation of first preference for an additional Fisher House and Wright Patterson second. As of the date of this report, Fisher House Foundation, Inc., has not committed to any additional Air Force Houses.

**AIR FORCE FISHER HOUSE PROGRAM  
FY03 ANNUAL REPORT  
(Data as of 1 Oct 03)**

**PROGRAM OVERVIEW**

The mission of the Fisher Houses at Air Force bases is to provide temporary and convenient lodging at a reasonable cost for Air Force Medical Center patients, their family members, and others providing the equivalent of familial support for such patients.

The Air Force now has eight Fisher Houses at five locations: Andrews (1), Keesler (1), Lackland (3), Travis (1), and Wright-Patterson (2). The Air Force has no Fisher Suites.

In FY03, the Air Force Fisher Houses served approximately 2,080 families, providing roughly 29,600 nights of temporary lodging in a comfortable and compassionate atmosphere. This lodging represents an estimated savings of out-of-pocket expenses to these families of nearly \$1.48M, or nearly \$712 per family. Cumulative monthly reports of volunteers totaled 1,169. These volunteers provided 12,948 hours of service.

**LEGISLATIVE ACTION**

In Mar 99, the Air Force Fisher House Fund was established as an Air Force Central Nonappropriated Fund Instrumentality (NAFI) in accordance with the FY99 National Defense Authorization Act (NDAA) (Public Law 105-261, Section 906). This NAFI was originally provided with a corpus of \$3.5M. It is administered by the Air Force Fisher House Fund Board of Directors and is separately accounted for and managed by the Air Force Services Agency.

In Oct 01, the Air Force Fisher House Fund Board of Directors submitted an FY03 Omnibus Bill legislation request seeking explicit authorization for military department Secretaries to provide base operating support of Fisher Houses similar to that provided for Category "B" MWR facilities. In Dec 02, Public Law 107-314, Div A, Title III, Subtitle C, Sec 321, amended 10 USC 2493(f) to read as follows: "The Secretary of a military department may provide base operating support for Fisher Houses associated with health care facilities of that military department." This legislation will help ensure perpetual operation and sustainment of Air Force Fisher Houses by making available an appropriate mix of appropriated funds and nonappropriated funds for their support.

### **FY03 OPERATIONS**

The maintenance, repair, utility service, and improvement of AF Fisher Houses is covered by base operating support and interest earned on our NAFI investment corpus. Operations, including managers' salaries, are primarily supported through donations and room fees collected.

Our FY02 end-of-year (30 Sep 02) equity balance (including the NAFI corpus) was \$4,206,516. In FY03, income generated included interest earned of \$119,603 and donations and room fees of \$341,445. Operating expenses totaled \$389,296, and non-operating expenses (including depreciation) totaled \$60,083, representing net earnings of \$11,669. Our FY03 end-of-year (30 Sep 03) equity balance was \$4,218,185.

We approved \$38,884 for various capital requirements improvements to Fisher Houses at Andrews, Keesler, Lackland, and Wright-Patterson in FY03. Disbursements will be made in FY04.

### **FY04 BUDGET**

In FY04, the Air Force Fisher House Fund is projected to earn \$112,451 in interest. Donations and room fees are projected to total \$330,475. Capital disbursements of \$38,884 have been approved to date.

### **FY03 ACTUAL AND FY04 BUDGET**

	<u>FY03 Actual</u>	<u>FY04 Budget</u>
Revenue	67,058	82,300
Operating Expense:		
Payroll	289,928	300,440
Other Operating (1)	<u>99,368</u>	<u>83,642</u>
Total Operating Expense	389,296	384,082
Operating Loss	(322,238)	(301,782)
Non-Operating Income (Expense):		
Contributions/Donations	274,387	248,175
Interest Income	119,603	112,451
Other Expense (2)	<u>(60,083)</u>	<u>(57,934)</u>
Net Income (Loss)	11,669	910

1. Includes contract audit fees of \$13,100 for FY03 and \$15,000 for FY04.
2. Includes depreciation

## **FUTURE PLANS**

In response to a request from Fisher House Foundation, Inc., the Air Force Fisher House Fund Board of Directors prioritized Keesler as the Air Force's installation of first preference for an additional Fisher House and Wright Patterson second. As of the date of this report, Fisher House Foundation, Inc., has not committed to any additional Air Force Houses.